

LOWER PAXTON TOWNSHIP
BOARD OF SUPERVISORS

Minutes of Workshop Meeting held November 9, 2010

A workshop meeting of the Board of Supervisors of Lower Paxton Township was called to order at 6:13 p.m. by Chairman William B. Hawk, on the above date in the Lower Paxton Township Municipal Center, 425 Prince Street, Harrisburg, Pennsylvania.

Supervisors present in addition to Mr. Hawk were: William C. Seeds, Sr., and Gary A. Crissman.

Also in attendance were George Wolfe, Township Manager; Steve Stine, Township Solicitor; William Weaver, Sewer Authority Director; Jeff Wendle, CET Engineering; Aaron Navarro, J. Michael Brill & Associates, Inc.; Anthony and Robert Leo; and Watson Fisher, and Ted Robertson, SWAN.

Pledge of Allegiance

Mr. Crissman led in the recitation of the Pledge of Allegiance.

Public Comment

No comments were presented.

Review of proposed agreements to purchase reserve sanitary sewer capacity in the Swatara Waste Water Treatment Plant from both Swatara Township Authority and Hummelstown Borough

Mr. William Weaver explained that the packet of information contained two agreements, one to purchase capacity from Swatara Township Authority (STA), and a second from the Borough of Hummelstown. He noted that the agreements were prepared by Mr. Stine after talking to the Board during a recent Authority meeting. He noted that staff, Mr. Wendle, and Mr. Stine met with STA to discuss their intention to sell some of the capacity that they bought from West Hanover Township (WHT). He noted that STA purchased 414,000 gallons of capacity from WHT. He explained that STA is willing to sell 100,000 gallons of that capacity to Lower

Paxton Township Authority (LPTA). He noted that the draft budget was presented with the funds to purchase the capacity from STA.

Mr. Weaver explained that he negotiated with STA and they requested that the Township pay them what they paid for the capacity. Mr. Hawk questioned what STA paid WHT for the capacity. Mr. Wendle answered that they paid \$450,000 for the 414,000 gallons which works out to \$1.09 per gallon. Mr. Hawk noted that this is much less than what the Authority offered WHT several years ago, as it was closer to \$700,000.

Mr. Weaver noted, in addition to the cost per gallon, they also requested \$25,000 to cover the costs of their legal fees in the transactions with WHT. He suggested that it is a very good deal. Mr. Wendle noted that it would include the purchase price plus the upgrade. He noted that the total price would be \$525,000 to include the costs of the upgrade to the new facility. Mr. Wendle noted when you add the upgrades costs it amounts to \$3.90 plus the \$1.09 for the capacity, the total is roughly \$5 per gallon. Mr. Seeds noted that the Township paid \$14,250,000 for its share of the upgrade. He questioned what the Township's current capacity is. Mr. Wendle answered that it was 3.695, at roughly \$3.85 per gallon. Mr. Wendle noted that it would amount to a 5% handling fee. He noted the \$1.09 charge plus the \$3.86 upgrade fee equals \$4.95 per gallon. Mr. Seeds noted that they added \$.30 for their costs. Mr. Weaver noted that they are selling the capacity to LPTA for the same rate that STA paid WHT.

Mr. Hawk noted that WHT wanted to sell the entire capacity for \$1.1 million, and STA bought it for \$525,000, but he questioned if the Township would have been better off to buy the capacity itself, and then the Township would have owned all 414,000 gallons. Mr. Weaver noted that WHT wanted to deal directly with STA. Mr. Hawk noted that is because they didn't get anywhere with us and this has been an ongoing discussion since he joined the Board. Mr. Weaver noted that the Township is getting a real good deal. Mr. Hawk noted that the Township could have had all 414,000 gallons for \$525,000. Mr. Wendle noted that the Township got 100,000 gallons proportionally, and the Township would have had to pay a lot more money for the upgrades. He explained that the Township is not paying \$525,000 for 100,000 of whole capacity, rather for the original capacity plus the upgrade. Mr. Wendle noted that STA paid WHT \$450,000 over three years for 414,000 gallons. Mr. Weaver explained that it did not include the upgrade costs of \$3.86 per gallon. He noted that the Township is paying the same

thing that STA paid. Mr. Seeds noted that the last offer was \$770,000 a few years ago. Mr. Weaver noted that WHT accepted half of what they originally wanted.

Mr. Weaver noted that he is not looking for a vote this evening, rather some direction in how to proceed. He noted that he is looking for authorization to transmit the agreements to STA and Hummelstown. He noted that the Hummelstown agreement is more complicated and he explained that he would like to get the Board's input on the draft agreement.

Mr. Weaver noted that the price for the Hummelstown capacity has not been decided. Mr. Seeds noted that he thought it was the same. Mr. Weaver explained that he put an amount in the agreement; however Hummelstown wants more money.

Mr. Weaver noted that he put \$525,000 in the agreement, whereas Mr. Wolfe suggested that it should be \$500,000, because we told them that we would pay them what we paid WHT which is \$500,000. He noted that it was slipped that the Township was paying \$525,000 to include the administrative costs; therefore, Mike O'Keefe thought that the Township was offering \$525,000 and he had to call him back and explain that is not what the Township was offering. He noted that Hummelstown counter-offered \$600,000. Mr. Hawk questioned if Hummelstown bought the capacity from STA. Mr. Wendle answered no, and explained that Hummelstown wants to sell some of its original capacity that they no longer need. He noted that they met with their Planning Commission, and based upon future planning, they did not need the extra capacity. Mr. Seeds questioned if Hummelstown paid their share of the upgrade costs to STA. Mr. Weaver answered yes. Mr. Seeds noted that they are looking to recoup those costs. Mr. Wendle noted that Hummelstown needs the cash. Mr. Crissman questioned if anyone else placed a bid for that capacity, and if there is no one else, he feels that it is a fair price. He noted that they are not in a position to bargain with the Township, and it is a plus for them as they don't need the capacity. He noted it would help them to recoup their costs as they are in a similar financial situation as the Township, noting that they have several pump stations that need to be upgraded. Mr. Crissman noted that it would help to balance their budget and it would provide for some surplus in their budget. He noted that they are not in a bargaining position since no one else is offering to purchase the capacity.

Mr. Seeds noted that STA is willing to sell the Township 100,000 of the 414,000 gallons that it purchased from WHT, and he questioned what they plan to do with the other 300,000

gallons. Mr. Weaver answered that they want to keep 100,000 gallons for themselves and have allocated the remainder to Verdelli Farms.

Mr. Weaver noted that he is looking for direction on the offer to Hummelstown Borough. Mr. Crissman suggested that the maximum amount should be \$525,000 as it would be the same as what is offered to STA. Mr. Seeds questioned Mr. Wendle if it is a smart idea to purchase the capacity. Mr. Wendle answered yes, especially given the status of the proposed wet weather treatment plan approved. He noted if the Authority adds an additional 200,000 gallons of capacity; the Township would not have even come close in the last couple of years of going over its limit. He noted that he had to meet with STA once about a ban on connections when the Township exceeded the 3.695 MGD. He noted that it never hurts to have more capacity and the Township is getting it at a cut-rate deal. He noted that the Township is purchasing capacity at a rate that it was paid for in 1985. He noted that WHT sold their capacity to STA for less money than they paid for it 24 years ago. He noted that \$525,000 for advance nutrient removal capacity per gallon is a very good price, and even if the Township builds the wet weather treatment plant, it would have to operate it less. He noted that it was planned to operate the plant for a month at a time, however when it is started up, other than dealing with peaks, it will be able to be shut down a lot sooner. He noted in the interim the Township will have capacity and if the plant doesn't get built, it will have to deal with storage and reduction. He noted that this would certainly help the Township.

Mr. Wendle explained that one of the things that has happened with the new upgrades is that it provides a substantial increase in hydraulic capacity, both peak capacity and maximum month. He noted that now, the average daily flow allocation is your monthly maximum, but when the plant was upgraded they did not adequately plan for maximum month capacity. He noted with the new capacity that 3.895 MGD capacity could translate into a maximum month available capacity of 4.5 to 5 MGD. He noted that he had talked to them about changing the agreement and he had added a provision in this agreement to basically say that the parties agree and recognize that the new treatment plant provides capacity for increased monthly maximum, and that they agree to renegotiate the agreement. He noted that STA stated that they would do that but they want to take care of this purchase of capacity first. He noted that he provided a substantial amount of data to renegotiate a number to have on a maximum month basis before STA could start to pull the pin on exceeding the capacity. Mr. Seeds noted that he was looking

for that in the agreement and that he would not be in favor of purchasing any more capacity without having that as part of the agreement. He suggested that it should be agreed upon before the additional capacity is purchased and questioned if that is possible. Mr. Weaver explained that it is part of the agreement that STA have to sign it before we will give them the money. Mr. Weaver explained that STA has a major upgrade going on now, and to sell the capacity only takes two parties, but to implement amendments to the agreement, would involve all the parties and it would take some time to do that. Mr. Seeds noted that the Township has been talking to STA about this for some time. Mr. Wendle noted that they had concerns about protecting themselves, and then he provided a large amount of data analysis from the previous years to determine what would be a safe number to use and he provided that to STA as a suggestion and that is why he included it in the agreement. He felt that there should be some acknowledgement that they would be willing to negotiate before the Township buys the capacity.

Mr. Seeds noted that some of the I&I has been more than \$5.25 per gallon, and in other cases much less. Mr. Weaver noted that he is trying to keep the I&I removal costs at \$2 to \$3 per gallon. Mr. Seeds noted that there are instances where it has been more. Mr. Weaver noted that he does not like it get to that. Mr. Wendle noted that we are talking about two different things. He noted that one is peak flow per gallon per day of removal and the other is a monthly average flow, actually an annual average flow. He noted that we are talking about 200,000 of annual average flow which under normal peaking conditions may translate to 600,000 of peak flow. He noted if you look at getting 600,000 of peak flow for \$525,000, it works out to less than a dollar per gallon.

Mr. Hawk questioned if Swatara Township sells the 200,000 gallons to Verdelli Farms, is there an upgrade price for them to pay. Mr. Wendle suggested that they would have to pay the \$5 per gallon as well for the upgrades. He noted that they would be looking at \$1 million for 200,000 gallons of capacity. Mr. Wendle noted that STA paid the contractor and WHT for the capacity so they are looking for reimbursement.

Mr. Seeds questioned what the advantage is for Verdelli Farms to buy the capacity. Mr. Wendle suggested that they needed it.

Mr. Crissman noted that Mr. Weaver is asking if he should move forward with the negotiations with Hummelstown. He noted that Mr. Weaver has his support to move forward.

Mr. Weaver questioned if the draft agreement should be sent for comment or action. Mr. Wolfe answered that it should be sent for comments. He noted that it does not make sense to have the Authority approve the agreement only to have Hummelstown come back with comments. Mr. Crissman explained that he wants to see their signature on the agreement before he is willing to sign any documents. Mr. Hawk noted that the \$525,000 is the top price to offer.

Mr. Seeds questioned how this fits into the overall Authority budget, assuming that it would be expenditure for 2011. Mr. Weaver noted that it was included in the draft budget presented earlier in the year.

Review of a proposed phasing schedule for the SunnyHill Farms South subdivision plan

Mr. Wolfe noted that the owners of SunnyHill Farms would like to take the south section and divide it into four phases. He noted that Mr. Robert Leo and Mr. Anthony Leo are present to talk about the request, along with Aaron Navarro. Mr. Leo explained that the plan was approved over four years ago and sold to a buyer who was going to develop the land at one time. He noted that Altieri Homes was that buyer and they went bankrupt. He explained that there are no buyers for the property at this time and he would like to start to develop the plan but he would like to phase the plan in order to cut down on the costs. He noted that it is the same plan; he is only requesting to phase the plan.

Mr. Navarro noted that Mr. Leo mentioned that the final plan was submitted as an overall construction with one buyer who would construct the entire site. He noted that based on the economy and the lack of sales in real estate, the Leo brothers would like to get this project started, but they cannot do it as an entire development. He noted that they would like to take the approved plan and resubmit it as a revised preliminary plan and submit a plan based upon four phases but still abide by the old ordinance.

Mr. Seeds questioned Mr. Stine if they can do this. He noted that Mr. Leo would want it approved under the previous Subdivision and Land Development Ordinance (SALDO) which it was originally approved under. Mr. Navarro noted that the Leo brothers have an approved plan of which they could build from however the bonding would be required for the entire site. He noted that it is not feasible for them to do that, and they would like to break the project into phases, resubmit the plan as a revised preliminary plan, add the phasing into the plan, and submit final plans for each phase under the old ordinance.

Mr. Crissman questioned if the plan is resubmitted, if the Township is obligated to approve it under the new SALDO. Mr. Stine answered no, and he questioned why Mr. Navarro would want to resubmit the plan, and not just ask the Board to approve a phasing schedule. Mr. Navarro answered that he is fine with that but there would be an issue when he applies for a building permit. He would need to do some minor engineering because the entire roadway system and sewer would not be constructed. He noted that the E&S would have temporary measures set, and he could do it that way if the Township would allow him to submit plans, and just call them construction plans and have them reviewed in-house. He would be more welcome to do that.

Mr. Navarro noted that Phase 1 would consist of 11 lots with the access from 67th Street. Mr. Hawk questioned what he meant about the roadway system. Mr. Navarro noted that there is a proposed roadway system, and Phase 1 would consist of construction of the entrance into the SunnyHill Farms. Mr. Wolfe questioned what construction would occur differently in a phased environment versus an overall environment. Mr. Navarro explained that the entire project was designed to be developed in one shot. He noted that temporary turnarounds would have to be added to the roadway system, stubs for sanitary sewers, noting that he would not construct the entire run throughout the entire site, and the same for water, using temporary grading. He noted that stormwater would have to be taken care of but the stream crossings for two locations would be constructed in the beginning.

Mr. Wolfe questioned if this was a final plan. Mr. Navarro answered that it was a preliminary/final plan. Mr. Seeds questioned if the Leo brothers would be doing the development themselves. Mr. Leo answered yes.

Mr. Hawk questioned if the plan had to fall under the new SALDO or the old one. Mr. Stine answered that there is not much of a debate on this issue as they are only asking for a phasing schedule. He noted that their plan has been automatically extended to 2013, by the State Legislation that was adopted earlier this year. He noted that they still have three years, and they could leave it as it is, but they are just asking to phase it out over a longer period of time. Mr. Stine noted that they do not have to comply with the current regulations; however the Township could condition the phasing on the new regulations if it wanted to. He noted that it is not a requirement that it be done under the new ordinance.

Mr. Navarro noted that one of the conditions of the approval of the plan was to post bond for the entire plan and to pay the fee in lieu. Mr. Hawk noted that it is a financial benefit to the developer not to have to pay these costs up front. Mr. Leo noted that the two stream crossings will be constructed in Phase 1. He noted that he has some issues with permits that will expire if it is not done soon, and he would like to get those done. Mr. Navarro noted that the NPDES permit expires next year and some wetlands had to be mitigated since they were encroaching with roadway widening. He noted those would have to be taken care of sooner than later. He noted that there are Conservation District issues as well, and a flood study that was done and some of those permits will be expiring. Mr. Seeds questioned if the other permits were grandfathered in with the legislative extensions. Mr. Navarro answered that all permits were automatically extended except for State and Federal. Mr. Hawk noted that it would provide more flexibility for the owners to develop the land.

Mr. Stine noted that he thinks he and Mr. Wolfe came up with the solution. Mr. Stine proposed to have Mr. Navarro do a phasing schedule for the final plan and each time you want to do a final phase you will have to submit a final plan for that phase. He noted if you submit a revised preliminary plan then it becomes a new plan. He noted that he would not want someone to argue that it is a new plan and then you would have to comply with the new ordinance provisions. Mr. Navarro explained that he would take the current plan, add the phasing schedule to it and when the Leo brothers start Phase I, they would submit a final plan for review under the old ordinance.

Continued discussion regarding the proposed 2011 fiscal year budgets

Mr. Wolfe noted during the October 26th budget workshop meeting, staff presented a draft document of \$17 million with a deficit of \$280,237. He noted that the Board directed staff to complete the 2011 budget without any increase in tax rates for municipal operations. He noted that staff has done this. He noted that the Board made the job easier than expected due to the bond refunding that resulted in a reduced debt service for 2011. He noted that the General Fund will experience \$179,710 in reduced debt service for the Township and also for the Friendship Center (FC) and the Sewer Operating Fund. He noted this will only occur in the 2011 fiscal year.

Mr. Wolfe noted that this reduced the 2011 deficit to \$100,527. He explained, at staff level, numerous changes were made to the budget based upon current information and the ability

to control expenditures. He noted that the revenues for delinquent real estate taxes are tracking higher and that it was underrepresented by \$15,000. He added the lease payment for the Capital Tax Collection Bureau for the full year; three other minor enhancements totaling less than \$1,500; \$25,000 more in fee in lieu revenues based upon current plans and discussions with developers, and a revenue decrease noting that the draft document was underrepresented by \$18,000 for the amount that is deposited to the fire tax in favor of the General Fund. He noted that it had to be taken from the General Fund and reallocated to Fire Services. He noted that the millage rate levied for the fire tax will generate \$18,000 more than what was in the original budget.

Mr. Wolfe noted for expenses there were several minor reductions, noting that administration could defer the payment for a municipal telephone system for a year until 2012 saving \$12,000. He noted that the Community Service Officers allocation can be reduced by \$5,500; and an estimated reduction of \$12,500 for the Humane Society moving to a spay/neuter program for cats. He noted that two minor capital items can be paid for out of forfeiture funds. He noted that he reduced the amount budgeted for property clean up under the property maintenance code, although it is an item that can fluctuate from year to year.

Mr. Wolfe noted for the Public Works Department, he reduced the part-time seasonal employment by less than \$10,000, small tools by \$3,000, and park maintenance by \$10,000. He noted that even at \$10,000 it is more than what is typically budgeted in the past year. He noted that it is believed that sign decals were over budgeted by \$7,000.

Mr. Wolfe noted, in the Parks Department, the salary increases were reduced from the 5% rate to 3% rate, providing a savings of \$3,400. He noted that \$14,000 was reduced in park improvements for the playground equipment at Kohl Park and the tennis courts will not be painted, but will be crack sealed. He noted that sidewalk improvements for the dog park will be delayed as well. He noted that the lighting system will not be repaired in Koons Park until the following year saving \$11,000, and only one application of fertilizer will be made and no deep tine aeration will be done in the ball parks.

Mr. Wolfe noted that all the listed changes save \$166,072 which produced a budget surplus of \$65,545 for operations for 2011.

Mr. Wolfe noted that staff can also increase the surplus by delaying the final payment for the Wolfersberger Park until 2012. He noted that the property owner is acceptable to a reduced

payment of \$10,000 in 2011 with the rest to be negotiated. He noted since nothing is designed for park use at this time, other than leasing for paintball, the Township could save \$31,200. Mr. Hawk noted that it is a good idea. Mr. Seeds noted that the Township would lose the income from the paintball rental amounting to \$8,400 for the year. He noted that the current owner would be getting that income instead. He noted that he would be against that. Mr. Wolfe noted that the Township would be making the last payment with no additional interest.

Mr. Wolfe noted that another suggestion would be to close the Compost Facility on Tuesdays, and only operate it on Thursdays and Saturday, saving \$3,500. He noted that these are decisions that need to be made by the Board. Mr. Seeds noted that he was not in favor of this as it is too long a period to hold items, especially for the people who pay for their stickers to access the facility. Mr. Wolfe noted that the Board is not in favor of doing this, but he questioned what about the delay payment for the park. Mr. Crissman noted that he is in favor of doing that especially is the owner is willing to do this. Mr. Seeds noted that it will cost the Township \$8,400. Mr. Hawk noted that it is still a gain for the Township. Mr. Wolfe noted that the current owner does not get a yearly lease of \$8,400 from the paintball business, as his lease payment is much smaller. Mr. Seeds noted that he wished the other two Board members were present to discuss this further. Mr. Wolfe noted that no decision has to be made tonight. He noted that there is an Authority meeting scheduled for November 23rd and a budget workshop meeting could be held after that meeting to close up the loose ends. Mr. Wolfe noted that he would advertise the budget as required by law, and the Board has between now and December 31st to adopt a budget. He noted that there is no problem with changing the budget prior to its adoption.

Mr. Wolfe noted that the Township contributes \$4,000 to the Linglestown Fire Department to defray the costs of the fireworks and this could be cut from the budget. He noted that this past year, Paxtonia Fire Company also sponsored fireworks with no contribution from the Township, however, the Board has always treated the fire companies the same. Mr. Seeds questioned if Paxtonia has asked for donations. Mr. Wolfe noted as of now they have not asked. Mr. Crissman noted that we must treat them all the same. Mr. Hawk questioned what the likelihood of Paxtonia sponsoring the fireworks again next year. Mr. Wolfe answered that he did not know, but they stated that they enjoyed it and it worked out well for them. Mr. Hawk noted the next thing you know Colonial Park Fire Company will be sponsoring fireworks. Mr. Crissman noted that a \$4,000 donation could escalate to \$12,000. He noted that he would have to

support equal amounts for all three fire companies. Mr. Wolfe noted that no decisions are needed now, but he is only identifying these items as potential areas to cut. Mr. Hawk noted that he would not want to close the Compost Facility. Mr. Crissman and Mr. Seeds agreed.

Mr. Seeds questioned under line item 801-41550 that \$500 was added to the EAP. He questioned what the EAP stood for. Mr. Wolfe answered that it is the Employee Assistance Program.

Mr. Seeds questioned the positive change in the numbers. Mr. Wolfe noted that he revised the memo from Friday and at that time, he was not able to balance the budget, however at this time the budget is balanced.

Mr. Seeds questioned if \$15,000 was removed for the engineering for the wash bay for Public Works. Mr. Wolfe noted that was included in this year's budget and it was only for this year in the General Improvement Fund.

Mr. Seeds noted that he had a discussion with Mr. Wolfe about the professional fees charged to developers and he suggested that there is a need to review those fees to determine if they need to be increased. He suggested that would help the budget. Mr. Wolfe noted that staff is putting together a list of all municipal fees and he will bring those fees to the Board for a potential increase. Mr. Seeds noted that the Township should be reimbursed for its costs to do business. Mr. Crissman noted that this was discussed previously and the Board directed Mr. Wolfe to look into this.

Mr. Wolfe noted that it is staff's recommendation that the \$65,545 which is the current budget surplus and any other surplus that is found as a result of further Board discussions should be assigned as a miscellaneous expenditure in 2011 for potential authorization by the Board to be used as a budgetary reserve. He noted that this is the tightest budget he has ever prepared for the Township and there is no room for error.

Mr. Seeds questioned if the money is still in the budget for the pavement management program. Mr. Wolfe noted that it was taken out and it will be discussed as the next agenda item.

Mr. Wolfe noted that the General Improvement Fund Budget will require a little less than \$1,006,800 noting that the General Fund Balance would fall to \$3,827,462 at the end of 2011. He noted that the 25% threshold should be approximately \$4.3 million dollars. He noted that the proposed budgetary reserve will be under its 25% reserve by \$530,000. He noted that the Board can not continue to reduce the General Improvement Fund, noting that it was originally over \$2

million but staff removed the pavement management system, the financial management system, and George Park Phase IV projects which saved \$325,000. He noted that these changes do not make up the 25% threshold deficit.

Mr. Wolfe explained that staff has programmed \$750,000 for capital improvements for the storm sewer system; \$60,000 for a traffic signal project; \$40,000 for road improvements which is a bridge project; and \$800,000 for the Village of Linglestown, noting that \$650,000 of that will be paid from funds held in escrow. He noted that project only impacts the General Improvement Fund by \$150,000. He noted that \$80,000 for the Wolfersberger/Koons Park is budgeted at \$80,000, half of which is funded through a grant. He noted that he removed Phase IV of the George Park improvements, and left \$15,000 for the landscaping of the compost facility berm that was constructed next to Kendale Oaks. He noted that if plantings are not planted on the berm, there will be E&S problems, so this must be done. He noted that he removed the financial management and pavement management systems totaling \$175,000. He noted that this leaves the Township with \$500,000 in additional capital expenditures over the 25% threshold mark.

Mr. Wolfe noted that he listed the storm water projects separately noting the \$700,000 budget line item is itemized by project. He noted that \$240,000 of that work is for storm sewer work in Paxton Creek mini-basins, and the Asylum Run-A mini-basin. He noted that this work follows the sanitary sewer mini-basin program, and since the sanitary sewers are being dug up, and the streets are to be repaved, it makes sense to repair the storm sewers at this time. He noted in most instances for these projects, there is a significant need to upgrade. He noted that there is no mandate to do the work like there is for the sanitary sewer work. Mr. Crissman noted that it is a pay me now or pay me later scenario.

Mr. Wolfe noted that Mr. Robbins has identified four large storm sewer projects outside of the mini-basin program: Clermont, Willow, Bloomsbury Village, and Heatherfield. He noted that these are instances where he has found that the corrugated metal pipe has failed and needs to be replaced. He noted that Mr. Robbins has shown the Board members these areas during its road tours. He noted that a new span wire is needed for several traffic signals and a new tethering wire is also needed for the Route 22 corridor. Mr. Seeds questioned if that is what coordinates the lights. Mr. Wolfe answered that it is the mechanism that prevents the lights from swaying in the wind. He noted that the Jonestown Road Bridge project located at the boundary with West Hanover Township would cost the Township \$40,000 which is its match along with West

Hanover Township. He noted that hopefully, the rest of the costs will be paid by Federal funds. He noted there is no guarantee that the project will start next year, but he is hoping that it will. He noted that these are construction estimates for projects and typically the budgeted amounts are over the actual costs.

Mr. Crissman questioned what the total was for the General Improvement Fund. Mr. Wolfe answered that it is almost \$800,000. Mr. Crissman questioned if an additional \$500,000 is needed to make the 25% threshold amount. Mr. Wolfe answered that the amount is \$535,000. He noted if the Township spends its General Improvement Fund Budget it will spend \$530,000 more than allowed by the threshold requirement. Mr. Crissman noted to balance the overall financial budget; the Township needs \$530,000 in additional funds. Mr. Wolfe noted that the Board could choose to cut some of the listed projects. Mr. Crissman questioned how much of a tax increase would be necessary to meet the deficit. Mr. Wolfe noted that it would be a 20% increase. Mr. Crissman noted that you cannot talk in terms of percentages, noting that a 20% hike sounds like a huge increase to the tax payer. He questioned what the dollar amount would be for a 20% increase on a home assessed at \$200,000. Mr. Wolfe answered that the millage increase would be .17 of a mill and the amount would be roughly \$35. Mr. Crissman noted that it must be put in the proper perspective, and he addressed the reporter from The Patriot-News that if she lists it in the paper that the Board is proposing a 20% increase the reaction would be bad as opposed to the reality that it is only a yearly increase of \$35. Ms. Archer answered that is what sells newspapers.

Mr. Crissman noted that it is unfortunate that the newspapers have lost their goal and purpose of being journalists as opposed to what sells newspaper and that money is more important than good reporting.

Mr. Crissman noted that there needs to be further discussion to see if something that was eliminated from the budget needs to be put back as well as if something could be removed. He noted that the Board needs to determine how it can make up the shortfall.

Mr. Seeds noted at one time the Board kept a 50% reserve. Mr. Wolfe noted that the Board was not spending money at that time. Mr. Crissman noted that the Board has a final shot at determining what it needs to do. Mr. Wolfe noted that he must advertise the budget now, but the Board can continue to fine tune the budget until it votes on it in December. Mr. Crissman noted that the Board should only have to meet one more time to finalize the budget. Mr. Seeds noted that even if it is included in the budget, it does not mean that the money has to be spent. Mr.

Wolfe noted if you include the pavement and financial management systems in the budget and the George Park Improvements they will go. Mr. Crissman noted that he is not in favor of putting things in the budget and not doing them. He noted that it is a false sense of economy to get the money and then not do the projects, noting that the citizens could say that the Board overtaxed the citizens. Mr. Seeds noted that due to certain circumstances it can happen that projects have been delayed because the bids came in too high. Mr. Wolfe noted that it could work the other way as well.

Mr. Crissman noted that the Board started the budget process early and staff has done an excellent job getting to this point. He suggested that finalizing the budget in one more session should not be a major undertaking. Mr. Wolfe noted that the refunding of the bonds has helped the 2011 budget. Mr. Seeds suggested that the Board may have saved the taxpayers a tax increase by refunding. Mr. Hawk noted that it depends on what you want to do with the \$535,000 shortfall for projects. Mr. Seeds noted that is only to keep the 25% threshold. Mr. Crissman noted that the Township needs to maintain the 25% threshold. He noted that you cannot continue to draw down on the savings and not replace it. Mr. Seeds noted that those funds are for raining days and tough times, and he questioned how many more years the Township will be in tough times. Mr. Hawk noted that any financial advisor will tell you that you should have six months of income in reserve as a safety net. Mr. Wolfe noted that a portion of the 25% funds is not liquid since it has been loaned to fire companies. He noted that \$600,000 is owed to the Township from the Colonial Park Fire Company as a mortgage repayment to the fund balance and if the Township needs those funds they cannot get it. Mr. Hawk noted that is a very good point and he stated that it is very easy to lose sight of that.

Mr. Wolfe noted that he will advertise for a special budget meeting for November 23rd to follow after the Authority meeting that starts at 6 p.m.

Improvement Guarantees, Development Agreements, Plan Reaffirmations, etc.

There were no improvement guarantees.

Adjournment

There being no further business, Mr. Crissman made a motion to adjourn the meeting. Mr. Seeds seconded the motion, and the meeting adjourned at 7:25 p.m.

Respectfully submitted,

Maureen Heberle
Recording Secretary

Approved by;

Gary A. Crissman
Township Secretary